



1776 K STREET NW  
WASHINGTON, DC 20006  
PHONE 202.719.7000  
FAX 202.719.7049

7925 JONES BRANCH DRIVE  
McLEAN, VA 22102  
PHONE 703.905.2800  
FAX 703.905.2820

www.wileyrein.com

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FOREIGN-TRADE ZONES BOARD

2009 SEP -4 PM 4: 24

OFFICE OF THE  
EXECUTIVE SECRETARY

Alan H. Price  
202.719.3375  
aprice@wileyrein.com

September 4, 2009

**VIA ELECTRONIC SUBMISSION**

Mr. Andrew McGilvray  
Executive Secretary  
Foreign-Trade Zones Board  
U.S. Department of Commerce  
1401 Constitution Avenue, NW  
Room 2111  
Washington, DC 20230

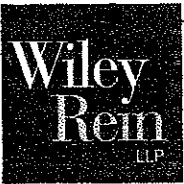
**Re: Foreign-Trade Zone 82, Application for Subzone Authority; Intent of  
Steel Manufacturers Association to Participate in Hearing and  
Summary of Remarks**

Dear Mr. McGilvray:

On behalf of the Steel Manufacturers Association ("SMA"), we would like to indicate the intent of the SMA to participate in the Board's September 10, 2009 hearing on the application for subzone authority filed by ThyssenKrupp Steel and Stainless USA, LLC, and to provide a summary of the remarks that the SMA will offer.

Mr. Thomas A. Danjczek, President of the SMA, will appear to state the SMA's opposition to ThyssenKrupp's application for subzone authority. As indicated in the August 28, 2009 comments filed with the Board on behalf of SMA, Mr. Danjczek will demonstrate that a decision to grant ThyssenKrupp's application would significantly disadvantage SMA Member Companies, accounting for over 70 percent of U.S. steel production, as well as SMA Associate Members that provide goods and services to the U.S. steel industry.

Specifically, as ThyssenKrupp itself has admitted, 99% of the cost savings it expects to achieve through subzone status will proceed from inverted tariffs on steel inputs – particularly high-duty ferroalloys – and output steel, which typically enters the United States duty-free. This would give ThyssenKrupp significant cost advantages over other U.S. steel producers, and would additionally disadvantage SMA Associate Member Companies that supply raw materials to U.S. steel producers. ThyssenKrupp's application is not in the broad public interest, and the Board's approval of an application that stems primarily from a single producer's



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desire to avoid customs duties would be particularly damaging to the U.S. steel industry as a whole in light of the negative economic conditions under which the industry currently operates.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan H. Price". The signature is stylized with a large, looped "A" and a long, sweeping underline.

Alan H. Price

**WILEY REIN LLP**  
1776 K Street NW  
Washington, DC 20006  
202.71.7000